

Service Area Plan

Department of Health

Scholarships (10810)

Service Area Background Information

Service Area Description

This service area addresses access to health care services in underserved areas of the state through scholarship and loan repayment programs designed to provide incentives to health practitioners who agree to practice in areas of need in the Commonwealth. These programs include:

- The Dental Scholarship Program,
- The Dentist Loan Repayment Program,
- The Virginia Medical Scholarship Program,
- The Virginia Physician Loan Repayment Program,
- The Virginia State Loan Repayment Program (SLRP),
- The Mary Marshall Nursing Scholarship Program,
- The Virginia Nurse Practitioner/Nurse Midwife Scholarship Program, and
- The Nursing Loan Repayment Program.

Service Area Alignment to Mission

This service area is aligned with VDH's mission to promote and protect the health of Virginians by increasing the number of health care providers practicing in underserved communities in the state.

Service Area Statutory Authority

§ 32.1-122.9 of the Code of Virginia authorizes the Dental Scholarship Program and provides conditional grants for dental students to encourage them upon graduation from Virginia Commonwealth University School of Dentistry to practice in these areas.

§ 32.1-122.9:1 of the Code of Virginia authorizes the Dentist Loan Repayment Program.

§§ 32.1-122.5:1 and 32.1-122.6 of the Code of Virginia authorizes the Virginia Medical Scholarship Program and provides conditional grants for certain medical students.

§ 32.1-122.6:1 of the Code of Virginia authorizes the Virginia Physician Loan Repayment Program.

Public Health Service Act, Title III, Section 338I, 42 U.S.C. 254q-1 provides authorization for the Virginia State Loan Repayment Program.

§§ 32.1-122.6:01, 54.1-3011.1-2, and 23-35.9 of the Code of Virginia provide for the Board of Health to award nursing scholarships and the nursing loan repayment program.

§ 32.1-122.6:02 of the Code of Virginia establishes the Nurse Practitioner/Nurse Midwife Scholarship Program.

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Service Area Customer Base

Customer(s)	Served	Potential
Dentists serving in areas of need	17	17
Nurse Practitioner Scholarship Program (Awards per year)	5	120
Nursing Scholarship and Loan Repayment Participants (RN and LPN, Awards per year)	113	2,137
Primary Care Physicians, Psychiatrists, Physician Assistants, and Nurse Practitioners participating in Loan Repayment Programs (New awards per year)	27	384
Students at VCU School of Dentistry	12	360
Students in Medical School at EVMS, VCU, UVA, and Pikeville School of Osteopathic Medicine	10	0

Anticipated Changes In Service Area Customer Base

- With the increase in funds for the Dental Scholarship and Loan Repayment Programs, from \$25,000 GF in FY05 to \$325,000 in FY06, the number of potential contracts with dental students for scholarships will increase. In addition, there will be customer growth as private dentists in Virginia contact VDH with practice opportunities to attract dentists into private dental practices in underserved areas of the state. The number of dentists over 40 years of age is growing and there is anticipated growth in the number of dental practices that may be sold as these dentists retire and look for replacements.
- The Virginia Medical Scholarship Program will be phased out in 2007 and available funds will be used in the Virginia Loan Repayment Programs. The phase out is because there is a 40% default rate in the Virginia Medical Scholarship Program. By phasing out this program funds will be used more efficiently and effectively for placement of practitioners in medically underserved areas.
- The demand for nursing scholarships is expected to increase as the demand for nurses continues to increase; many current nursing professionals are retiring. Nursing schools are moving to increase enrollment to fill the shortage created by these retirees.

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Service Area Products and Services

- The Dental Scholarship Program provides financial assistance to dental students at Virginia Commonwealth University (VCU) School of Dentistry in exchange for practice in an underserved area upon graduation.
- The Dentist Loan Repayment Program established in 2000, but not funded until FY 2006, assists dentists who have graduated from any accredited dental school in the nation with repayment of their educational loans in exchange for service in an underserved area in the Commonwealth.
- The Virginia Medical Scholarship Program provides financial assistance to medical students at Eastern Virginia Medical School in Norfolk; the University of Virginia in Charlottesville; Virginia Commonwealth University in Richmond; and Pikeville School of Osteopathic Medicine in Pikeville, Kentucky. Eligible applicants must be medical students pursuing primary care specialties in family practice, general internal medicine, pediatrics, or obstetrics/gynecology. First-year primary care residency students are also eligible. After completion of their residency program the recipient is required to practice in a federally designated Health Professional Shortage Area (HPSA) or a Virginia Medically Underserved Area (VMUA). If a recipient fails to practice in an underserved area, he is deemed in default and must monetarily repayment the Commonwealth the amount of the award, plus penalty, interest, and lawyer fees, if applicable.
- The Virginia Physician Loan Repayment Program assists primary care physicians and psychiatrists repay educational loans in exchange for service in a federally designated primary care HPSA or a mental HPSA (psychiatrists only), a VMUA, or a state facility, i.e., Department of Health, Department of Corrections, Department of Mental Health, Mental Retardation, and Substance Abuse Services. Applicants must specialize in primary care family or general practice, internal medicine, pediatrics, obstetrics/gynecology or psychiatry. Participants may receive up to \$120,000 for a 4-year commitment in addition to the salary and benefit package offered by their employer.
- The Virginia State Loan Repayment Program (SLRP), a federal grant through the Health Resources Services Administration, Bureau of Health Professions is a joint federal and state program that assists primary care physicians, psychiatrists, physician assistants, or nurse practitioners repay educational loans in exchange for service in a federally designated primary care Health Professional Shortage Area (HPSA) or a mental HPSA (psychiatrists only). Applicants must specialize in primary care family or general practice, internal medicine, pediatrics, obstetrics/gynecology or psychiatry. An eligible practice site must be located in a HPSA, and must be a public or not-for-profit entity. Participants may receive up to \$120,000 for a 4-year commitment in addition to the salary and benefit package offered by their employer.
- The Mary Marshall Nursing Scholarship Program is for students earning a degree as a Registered Nurse (RN) or a Licensed Practical Nurse (LPN) attending nursing school in Virginia. Scholarships are competitive and are awarded by a Nursing Scholarship Advisory Committee appointed by the Board of Health. Awards are based upon criteria determined by the committee including scholastic attainments, character, need, and adaptability of the applicant for the service contemplated in the award. The service obligation can be fulfilled anywhere in Virginia in the chosen field of the recipient, RN or LPN.
- The Virginia Nurse Practitioner/Nurse Midwife Scholarship Program awards are competitive and are awarded by a Nurse Practitioner/Nurse Midwife Scholarship Advisory Committee appointed by the Board of Health. Awards are based upon criteria determined by the committee and include scholastic attainments, character, need, and adaptability of the applicant

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for the service contemplated in such award. Preference for a scholarship award is given to residents of the Commonwealth; minority students; students enrolled in adult primary care, obstetrics and gynecology, pediatrics, and geriatric nurse practitioner programs; and residents of medically underserved areas of Virginia. Scholarships are awarded for a single academic year. Scholarships must be repaid with service, one year for every year an award is received. The recipient must engage in full-time nurse practitioner or nurse midwife work in a medically underserved area of Virginia.

- The Nursing Loan Repayment Program was established by the 2000 General Assembly, but was not funded. It established a loan repayment program requiring service anywhere in the Commonwealth with a preference for working in a long term care facility in the Commonwealth.
- Assessment:
 - Determine the primary care, dental and mental health underserved areas for the scholarship and loan repayment programs to meet the health needs of the state utilizing data from various sources, i.e., the Virginia Board of Dentistry, the American Dental Association, the Department of Health Professions, American Medical Association, Virginia Nurses Association, etc.
 - Determine the students eligible for the scholarship and loan repayment programs based on program criteria.
 - Maintain a listing of licensed dentists nationwide eligible and interested in applying for the Dentist Loan Repayment Program as well as a listing of dental practice opportunities in underserved areas in Virginia.
 - Maintain ppova.org web site where interested practice sites and practitioners can post vacancies and/or resumes to pursue placements in medically underserved areas.
 - Maintain a listing of all primary care physicians and psychiatrists and their practice locations in Virginia to use for designation purposes.
 - Track the recipients of the scholarship and loan repayment programs to ensure compliance with the various programs. Ensure the practitioner is working in an approved underserved area of the Commonwealth.
- Policy Development:
 - Promulgate regulations and adopt rules and regulations related to the scholarship and loan repayment programs.
 - Interact with agencies, divisions, academic institutions, offices, societies, coalitions, task forces, joint interagency work groups, commissions, boards, advisory councils, legislative hearings, governor's staff, etc. concerning the scholarship and loan repayment programs.
- Assurance:
 - Link people in communities to primary care, dental and mental health services by providing students, dentists, primary care physicians, psychiatrists, nurse practitioners, physician assistants, and nurses with opportunities through the scholarship and loan repayment programs in order to increase access to primary care, oral, and mental health services in rural and underserved communities in the state.

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Factors Impacting Service Area Products and Services

- There has been an increase in the amount of funding for the dental scholarship and loan repayment programs from \$25,000 GF to \$325,000 GF. FY 2006 will be the first year that the loan repayment program has been administered by VDH. A position that will administer this program in addition to other duties is currently being established. There will be some program time needed for the new staff to set up the administration of the dentist loan repayment program over the next year.
- Should a dental student choose to pay back their obligation rather than serve in an area of need upon graduation, this would ultimately reduce the number of practicing dentists in underserved areas. Historically 163 dental scholarships have been given to 69 students since 1986 and 20 students have chosen to pay back rather than serve in an area of need in the period from 1986 to present. Additionally, total default cannot be anticipated. Since 1986, three students have gone into default and have not repaid their financial or service obligation.
- The demand for nursing scholarships increases each year as tuition increases. However, funding for nursing scholarships decreased because the 2005 General Assembly approved a reciprocal agreement with surrounding states to accept licenses for nurses that have been issued by other states. Therefore, the licensure fees used to support the nursing scholarship program decreased by approximately, \$10,000. This equates to between 5 and 10 scholarships per year.

Anticipated Changes To Service Area Products and Services

- The tuition at VCU School of Dentistry continues to increase. The amount for the scholarship and loan repayment programs is equivalent to one year in state tuition (\$15,847) based on regulation. As tuition increases for a dental education, the overall number of scholarships will decline long term.
- New awards in the Virginia Medical Scholarship Program will be phased out by 2008 and the funds used for this program will instead be used in the Virginia Loan Repayment Programs. This is because there is a 40% default in the scholarship program. This can be attributed to students deciding not to go into primary care, not working in an underserved area of Virginia, or not returning to Virginia after completing an out of state residency program. Currently, funds collected through default are used in the loan repayment programs. As these funds are exhausted, fewer recipients in the loan repayment programs are expected.

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Service Area Financial Summary

The funding for the Scholarship and Loan Repayment Programs comes from non-general fund sources (37%) and general fund dollars (63%). Of the non-general funds, \$280,284 is from the Board of Medicine within the Department of Health Professions and \$302,232 is from federal funds each year. The remaining \$225,000 each year represents collections from scholarship and loan repayment recipients that default on the scholarship or loan repayment contract. These “default” collections can be used to fund new recipients within a specific program.

In addition, funding for nursing scholarships (RN and LPN) is funded through licensing fees collected by the Board of Nursing within the Department of Health Professions. For every nursing licensing fee collected \$1 is deposited into the scholarship fund. These nursing scholarship funds are disbursed by the Board of Nursing based on the awards made by the Nursing Scholarship Advisory Committee. These funds do not flow through the Department of Health nor are they shown in the financial table for this service area.

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$720,396	\$1,087,800	\$720,396	\$1,087,800
Changes To Base	\$280,284	(\$280,284)	\$560,568	(\$560,568)
SERVICE AREA TOTAL	\$1,000,680	\$807,516	\$1,280,964	\$527,232

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Service Area Objectives, Measures, and Strategies

Objective 10810.01

Increase access to primary health, oral health, and mental health care services in underserved areas of the Commonwealth.

Although Virginia has an overall favorable number of practitioners statewide and a practitioner to population ratio that mirrors the nation, a maldistribution of providers exists in many areas of the state resulting in underserved areas for access to primary health, oral health, and mental health care services. The scholarship and loan repayment programs seek to correct this maldistribution through contracting with students and practitioners to serve in these areas in exchange for funding for tuition or debt reduction of school loans.

This Objective Supports the Following Agency Goals:

- Collaborate with partners in the health care and human services system to assure access to quality health care and human services.
()
- Promote systems, policies and practices that facilitate improved health for all Virginians.
()

This Objective Has The Following Measure(s):

● **Measure 10810.01.01**

Number of signed contracts that obligate a dental student or dentist to serve in an area of need for one year.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: 14 contracts were signed for dentists and dental students during FY06

Measure Target: 20 during FY07

Measure Source and Calculation:

This measure is calculated based on the number of students at VCU School of Dentistry who entered into a contract with VDH to serve in a dental area of need upon graduation. Because the funding for this program will increase substantially in FY06, the target is increased accordingly as additional funding will enable implementation of the dentist loan repayment program.

● **Measure 10810.01.02**

Number of physicians, physician assistants, and nurse practitioners in underserved areas that received assistance through VDH administered scholarship and loan repayment programs.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: 50 practitioners were given awards during FY05.

Measure Target: Maintain 50 during FY07.

Measure Source and Calculation:

This measure is calculated based on the funding available after contract renewals for current participants are made and the number of scholarship and/or loan repayment applications received.

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Objective 10810.01 Has the Following Strategies:

- The VDH Division of Dental Health (DDH) will administer the Dental Scholarship Program through collaboration with VCU School of Dentistry to provide information to students concerning the program, identify those students who are interested in the program and prioritize student applicants based on financial need if necessary.
- DDH will track those dental students who graduate and begin to practice in an area of need regarding the terms of their obligation as well as students who decide to proceed with financial payback rather than serve.
- DDH will administer a Dentist Loan Repayment Program including developing an application process, advertising nationally for applicants, working with the Board of Dentistry regarding licensure issues, tracking these dentists regarding their obligation in an area of need, creating a database of dentists, posting practice opportunities and collaborating with the VDH Office of Health Policy and Planning (OHPP) on utilizing the recruitment web site, ppova.org, and collaborating with other dental partners including the Virginia Dental Association.
- DDH will update areas of need through a manpower analysis as required by regulation.
- OHPP will administer all other scholarship and loan repayment programs providing information to students and other interested parties concerning the programs, identifying those students and practitioners who are interested in the programs and prioritize applicants based on each programs established criteria.
- OHPP will track those recipients who begin to practice in an underserved area regarding the terms of their obligation. In addition, OHPP will track those recipients who decide to proceed with financial payback rather than complete their service obligation.
- OHPP will review the application process for each program yearly. In addition, OHPP will work with the Board of Medicine, Board of Nursing, Nursing Schools, and other interested parties regarding licensure issues, tracking recipients regarding their obligation in an area of need, creating a database of primary care physicians, posting practice opportunities on OHPP's recruitment web site, ppova.org, and collaborating with other partners as opportunities arise.